

## OFFICE OF ECONOMIC DEVELOPMENT

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### Impact Analysis Report

#### ***OVERVIEW***

The Office of Economic Development (OED) is responsible for administering the City's Foreign Trade Zone and Subzones, which includes processing applications, boundary modifications, and contract negotiations and expansions. Maintaining a Foreign Trade Zone enhances the City's image and prestige as a foreign trade-friendly City, and a major international city as well. It is also an important international economic development tool for the City of San José.

The Office of Cultural Affairs (OCA) is also part of the Office of Economic Development. Collection of fees related to OCA activities, including various event permit and use permit fees, are included in this section. Consistent with past practice, the OCA fees and charges program is designated as not subject to full cost recovery requirements.

#### ***SUMMARY AND IMPACT OF ADOPTED FEE REVISIONS***

##### Existing Fees

In 2008-2009, changes have been adopted to the Foreign Trade Subzone and the Paseo/Plaza Use Permit fees. The Foreign Trade Subzone application fee has been adopted to change from \$1,500 to \$3,000. This adopted change is projected to bring the fee to maintain cost recovery levels. The following fee changes have been adopted for the Paseo/Plaza Use Permit Fee: the Permit Amendment Fee has increased from \$50 to \$100; the Permit Fee was changed from \$100 to \$200; and the Series Permit Fee was

changed from \$175 to \$350. Even with these fee increases, the fees remain below cost recovery at 22.2%. This rate is actually below the prior year level of 27.8% cost recovery as a result of a reevaluation of costs to administer these permits.

#### ***DISCUSSION OF SIGNIFICANT IMPACTS***

The fee revisions adopted for the Office of Economic Development are not expected to have a significant impact on the Department's customers.

#### ***NOTIFICATION***

The Proposed Fees and Charges Report was released on May 2, 2008 allowing for a minimum of ten days for public review. Public input on fee proposals was heard by the City Council during public hearings held on Tuesday, May 13, 2008 and Monday, June 16, 2008 at 7:00 p.m. in the City Council Chambers.

## DEPARTMENTAL FEES AND CHARGES

## ECONOMIC DEVELOPMENT

Service	2007-2008 Adopted Fee	2007-2008 % Cost Recovery	2008-2009 Adopted Fee	2008-2009 Estimated Cost	2008-2009 Estimated Revenue		2008-2009 % Cost Recovery	
					Current Fee	Adopted Fee	Current Fee	Adopted Fee
ECONOMIC DEVELOPMENT - CATEGORY II								
1. Foreign Trade Main Zone								
1 Additional Zone Application Fee	\$3,200		No Change					
2 Annual Fee	\$350	100.0%	No Change	350	350	350	100.0%	100.0%
3 Expansion Fee	\$1,600		No Change					
4 Performance Fee	\$100	100.0%	No Change	100	100	100	100.0%	100.0%
Sub-total Foreign Trade Main Zone		100.0%		450	450	450	100.0%	100.0%
2. Foreign Trade Subzone								
1 Annual Fee	\$5,000	100.0%	No Change	5,000	5,000	5,000	100.0%	100.0%
2 Application Fee	\$1,500		\$3,000					
Sub-total Foreign Trade Subzone		100.0%		5,000	5,000	5,000	100.0%	100.0%
SUB-TOTAL ECONOMIC DEVELOPMENT - CATEGORY II		100.0%		5,450	5,450	5,450	100.0%	100.0%
OFFICE OF CULTURAL AFFAIRS-CATEGORY II								
1. Gated Event on Public Property								
1 Gated Event on Public Property Fee	5% of gross gate receipts (unless modified by a contractual agreement approved by City Council)		No Change					
2 Ticket Charge	\$15 per person (unless modified by a contractual agreement approved by City Council)		No Change					
Sub-total Gated Event on Public Property		79.4%		12,600	10,000	10,000	79.4%	79.4%
2. Paseo/Plaza Use Permit Fee								
1 Permit Amendment Fee	\$50		\$100					

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					Current Fee	Adopted Fee	Current Fee	Adopted Fee
OFFICE OF CULTURAL AFFAIRS-CATEGORY II								
2. Paseo/Plaza Use Permit Fee								
2 Permit Fee	\$100		\$200					
3 Series Permit Fee	\$175		\$350					
Sub-total Paseo/Plaza Use Permit Fee		27.8%		30,600	3,400	6,800	11.1%	22.2%
3. Private Property Event Permit								
1 Non-vehicle sales event	\$500 per event		No Change					
2 Vehicle sales event	\$1,000 per event		No Change					
Sub-total Private Property Event Permit		60.6%		15,000	15,000	15,000	100.0%	100.0%
SUB-TOTAL OFFICE OF CULTURAL AFFAIRS-CATEGORY II		59.3%		58,200	28,400	31,800	48.8%	54.6%
TOTAL DEPARTMENT - GENERAL FUND				63,650	33,850	37,250	53.2%	58.5%
TOTAL DEPARTMENT - Category II				63,650	33,850	37,250	53.2%	58.5%
TOTAL DEPARTMENT				63,650	33,850	37,250	53.2%	58.5%